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PP RUEHAG RUEHROV
DE RUEHMD #1275 1791526
ZNY CCCCC ZZH
P 281526Z JUN 07
FM AMEMBASSY MADRID
TO RUEHC/SECSTATE WASHDC PRIORITY 2890
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE

C O N F I D E N T I A L MADRID 001275

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E.O. 12958: DECL: 06/26/2017

TAGS: ECON SP PREL EWWT SCUL PHSA PBTS

SUBJECT: BRITISH AMBASSADOR TALKS ABOUT ODYSSEY

REF: MADRID 1191

Classified By: AMBASSADOR EDUARDO AGUIRRE FOR REASONS 1.4 (b) and (d)

¶1. (C) In a June 26 courtesy call, newly arrived British Ambassador to Spain Denise Holt (strictly protect) told the Ambassador that tensions with Spain over Odyssey were continuing to pose an unnecessary threat on the two countries' bilateral relationship. Holt stated for the record that the British were in no way linked to Odyssey's "Black Swan" shipwreck find, and that the only link was the contractual agreement between the Ministry of Defense and Odyssey to salvage the HMS Sussex. Nonetheless, the extent to which the Spain-Odyssey controversy had affected British interests in Spain was spurring the British Embassy to distance themselves as much as possible from Odyssey.

¶2. (C) To that end, Holt said that they would be reviewing the contract between Great Britain and Odyssey in an attempt to terminate the contract. Holt noted that she would be describing to London the impact that the Odyssey controversy was having locally on bilateral relations (as well as on Gibraltar issues). She confirmed that though the two Odyssey vessels were in port in Gibraltar, the British would not aid the vessels when and if they should sail out.

¶3. (C) Comment: The British Embassy in Madrid is now intent in distancing themselves as much as possible from the dispute between Odyssey and Spain. Having suffered the brunt of the backlash both in the press and with their interactions with GoS, Ambassador Holt wants to salvage their relationship and improve cooperation between the two countries on the sensitive matter of Gibraltar. The Ambassadors agreed that the Odyssey "treasure find" should not weaken bilateral relations between three allies and that both countries should encourage Odyssey and Spain to find a satisfactory solution to the dispute. Embassy will continue to work closely with our counterparts in the UK Embassy here to ensure that the Odyssey issue has minimal impact on both nations' extensive interests in Spain.

AGUIRRE